pletely phasing out of the grant by Government; and

(c) whether Government propose to treat the grant as "export promotional expenses" which are to only Rs. 250 crores through expori so as to save closure of 19FP council which are left with no other option except closure ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (c) It has been decided to phase out the grant-in-aid to the Export Promotion Councils w.e.f. 1-4-1992 in a phased manner. This decision has been taken keeping in view the economic liberalisation policies pursued by the Government since July, 1991 and also to make these promotional agencies more self supporting and self relating and industry run professional bodies. The role of the Export Promotion Councils has been clearly recognised in the current Exim Policy and the Registration-cum-Membership Certificate has been made compulsory for all persons applying for any licence to import or export or for any other benefit or concession under the said policy. The EPCs have other sources of income as well and do not depend on Government grant only. The Government support to EPCs depends on factors mentioned in para 150 of the said policy. In terms of para 149 of Exim Policy, they are autonomous and regulate their own affairs. As such, this decision is not likely to render the employees of these Councils jobless or force closure of these agencies.

COVER BY INSURANCE COMPANY IN RESPECT OF EARTHQUAKES

2574. MISS SAROJ KHAPARDE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that no Insurance company in India offers a specific cover in respect of earthquakes; and

(b) if so, what corrective steps Government propose to take in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) While there is no exclusive cover for earthquake risk, a specific cover for this risk is available as an additional peril alongwith Fire Insurance cover. This cover is granted automatically under Fire Insurance Policy offered for simple risks namely households, buildings, shops and establishments, tiny sector and smal lscale industries, etc. This is also granted as an additional peril in respect of Industrial and manufacturing risks on payment of extra premium. In view of this, it is not considered necessary to introduce an exclusive cover for earthquake risk.

AGREEMENT WITH ISRAEL

2575. MISS SAROJ KHAPARDE : will the Minister of FINANCE be pleased to state:

(a) whether Government propose to sign two agreements with Israel, regarding avoidance of Double Taxation and protection of investment in each other's country; and

(b) Is so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Government of India has yet to enter into negotiations for concluding a double taxation avoidance agreement with Isreal.

Government of India is in the process of devising a model bilateral investment protection agreement. The issue of entering into a bilateral investment protection agreement with Israel will be decided thereafter.

(b) In view of reply to part (a) of the Question, reply to this part does not arise.

RESTORATION OF EXCISE DUTY ON CERTAIN EQUIPMENT

2576. SHRI RAJUBHAI A. PARMAR : Will the Minister of FINANCE be pleased to state :